



ADVISOR



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RSA & The Shoals

Source: *Birmingham Times*

When David Bronner told friends in 2001 he was considering a major economic development project in Florence, they told him it would not work.

The Shoals, as this area in the northwestern corner of Alabama is known, was divided. Leaders of Florence, Muscle Shoals, Tuscumbia, and Sheffield, known as the Quad Cities, along with Lauderdale and Colbert counties were known to focus solely on themselves and engage in turf wars to protect their interests.

But Bronner, executive director of the Retirement Systems of Alabama, was undeterred. Ignoring skeptics, he forged a partnership with Shoals leaders who bought into his vision and invested millions of RSA dollars to build two golf courses and a luxury hotel in Florence.

"What made Florence bounce back is that I saw people who bought into my vision and were willing to work together to make a positive change," Bronner said. "That is the same thing we need to happen in Birmingham."

Three years after opening its doors in June 2005, the Marriott Shoals Hotel & Spa has transformed Florence and the Shoals into a tourist destination, providing meeting space for business functions. Bronner also helped transform a money-losing venture on the hotel campus, the Renaissance Tower, into a viable spinning restaurant whose beautiful view has become a regional draw for the community.

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Alabama Needs the 11th Circuit Court's Help

By David G. Bronner

In the June 2006 Advisor, I commented on the never-ending Crum case that has been pending in federal court for well over a decade. The state has already spent over \$15 million on attorneys' fees and expert expenses in the case. These costs continue to grow at a rate of over \$100,000 a month!

A major issue in the case is whether it can proceed as a class action. The state asked the court to please rule on this matter in March 2006. The court responded in a May 2006 order that it "will try to have a ruling on these matters by mid-July 2006." It is now August 2008 and the court has still not ruled!

It is hard to imagine any justification for holding the state hostage for so long and unnecessarily draining public funds needed for education, public welfare, Medicaid, highways, law enforcement, Corrections and other state run humanitarian programs. Federal courts have recently terminated other long running lawsuits against higher education, the Department of Human Resources and the Transportation Department. It is past time to resolve this case so that the state can use its sparse resources for the benefit of the people of this state and not for attorney and "expert" fees and other litigation costs. ■

New York Pension Problems

Source: *The Daily News*

A secret grand jury is probing a possible illegal payoff scam linked to the state pension fund under disgraced ex-Controller Alan Hevesi, the *Daily News* has learned.

The focus of the pay-to-play investigation is whether companies hoping to get work with the monster fund were told they had to give "placement fees" to Hevesi's top political guru, Hank Morris, and others, a source familiar with the

case said. Sources have said Morris took in an incredible \$25 million in fees from companies doing business with the pension fund in the four years before Hevesi resigned in shame. People familiar with the inquiry—led by state Attorney General Andrew Cuomo—have said they believe it will result in criminal charges, possibly by the fall.

...New York's controller is the sole trustee of the state's whopping \$154 bil-

lion fund. Hevesi, a Queens Democrat, resigned in 2006 after pleading guilty to defrauding the public for ordering staffers to chauffeur his ailing wife, water her plants and drop off her dry cleaning—running up a \$208,000 tab....The largest chunk of Morris' \$25 million fees was the \$12.3 million that the Carlyle Group—one of the world's largest private equity funds—admitted paying a Morris-related firm. ■

RSA & The Shoals

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The Marriott Shoals last year became the third RSA-owned hotel named a Four Diamond property by AAA—the others are Renaissance Ross Bridge Golf Resort & Spa in Hoover and The Grand Resort & Spa in Point Clear.

Since the Marriott Shoals opened in 2005, Lauderdale County's lodging tax revenue quadrupled from \$312,434 to more than \$1.4 million last year. Travel-related spending in the county also nearly tripled from \$11.32 million in 1997 to \$31.6 million in 2005 after the hotel made its debut. Its success enabled Lauderdale County to win Alabama's Tourism Bureau of the Year last year.

The Marriott Shoals has also had a spillover effect, attracting a new Hampton Inn in downtown Florence, new businesses as well as a major multi-million development prize—last year's announcement that a Canadian rail car company had tapped an area near Florence as the site of a rail car manufacturing plant that will employ at least 1,800 people.

RSA gave the Canadian company a \$350 million loan to build the plant in Riverfront Industrial Park, the largest investment it has made at an industrial site. Bronner says the development could transform the Shoals area economy "for generations."

Marriott® SHOALS HOTEL & SPA

"Now we've got the rest of the country shaking their heads and wondering what's going on in the Shoals area," Bronner said.

State and local economic development officials say the Shoals revitalization over the past five years would not have taken place without Bronner's involvement.

"He was the glue that brought this area together," said Muscle Shoals Mayor David Bradford.

Florence Mayor Bobby Irons said local leaders had always wanted a luxury hotel, but couldn't attract one "until Dr. Bronner came on board."

"He had the vision, but said you have to step up as a community and get your act together first," Irons said.

Government and business leaders stopped bickering and united, Irons said. Their first bold step was passage of a 2-cents-per gallon gasoline tax that, though not popular politically, provides a funding source for economic development projects, meeting a Bronner requirement for RSA investment. Lauderdale and Colbert county officials also passed a half-cent sales tax to make improvements.

The taxes generate \$6 million to \$8 million a year, and a Shoals Industrial Development committee was set up to oversee the funds. It is made up of elected officials—the mayors of Florence, Sheffield, Muscle Shoals, the leaders of Colbert and Lauderdale counties as well as other local and community leaders.

Bronner then stepped in, building the Marriott Shoals in 2005, the

Florence area's first luxury hotel.

"When Dr. Bronner built the hotel and conference center, it took the community to a new level in tourism and economic development," Irons said.

The Marriott Shoals draws guests from nearly all 50 states and several foreign countries, becoming a drawing card that never existed before in Florence, said hotel General Manager Larry Bowser. The combination of a full-scale spa appealing to women, nearby golf courses for men wanting to get away and nice-quality hotel rooms for business and leisure travelers made the hotel an immediate hit, he said.

"While the majority of our room nights are from people in the Shoals area wanting to get away, we get a lot of business from three cities each just two hours away—Birmingham, Memphis and Nashville," Bowser said.

Florence convention officials say it has made their job a lot easier.

"It's tripled our tourism revenue and made all of the difference in the world when it comes to recruiting convention business," said Debbie Wilson, director of the Florence/Lauderdale Tourism Bureau.

Before the Marriott Shoals opened, Florence's convention center was losing \$300,000 to \$500,000 a year, Wilson said. The Renaissance Tower, originally built in 1990, had become an expensive failure and embarrassment, she said.

"The only thing that had worked there was when it was turned into a tower of terror haunted house," Wilson said. "Dr. Bronner got on board and turned the Tower of Terror into the Tower of Paradise."

Restaurant 360, the rotating restaurant atop the Tower, has become a destination in itself because of its view of the nearby river and region, Bowser said.

"People come on weekends just to eat at the hotel. It generates a lot of business for us," he said. ■

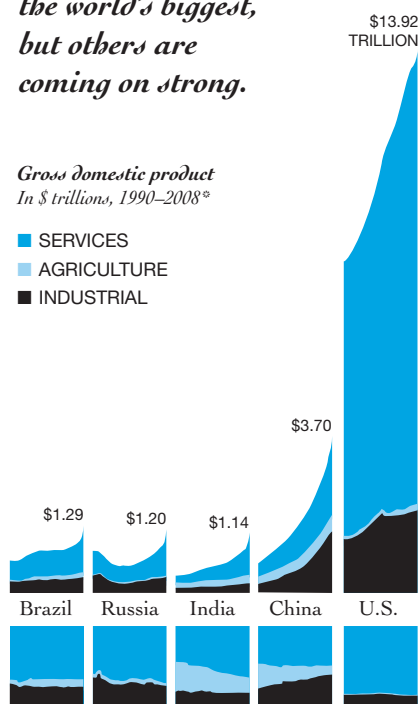
(Editor's Note: It is a pleasure to work with such a group of outstanding political leaders and the wonderful people of "The Shoals." Their hotel was just ranked #1 of all Marriotts in North America.)

The Rising Tide

The U.S. economy remains the world's biggest, but others are coming on strong.

Gross domestic product
In \$ trillions, 1990–2008*

■ SERVICES
■ AGRICULTURE
■ INDUSTRIAL



Sector share of GDP 1990–2008*

*Adjusted for inflation in 2007 dollars; 2008 data are estimates.

Morgenthau's Legacy for NY

Source: *Crain's New York Business*

In the 1990's, the Mob maintained a stranglehold over business in New York City. It tyrannized the garment district by controlling the trucking companies that served apparel companies. It overcharged New York City businesses by half a billion a year through its manipulation of the commercial trash business. Its domination of the Javits Center hamstrung the city's efforts to attract conventions.

Today, thanks in large part to Manhattan District Attorney Robert Morgenthau, organized crime is long gone from those businesses and in retreat from many others. No public servant over the past three decades can equal Mr. Morgenthau's incorruptibility or his accomplishments.

...As Mr. Morgenthau tells the story, a friend renovating the Rainbow Room in the 1990's complained that he had been shaken down every step of the way and vowed never to work in the city again. That's when the DA decided to take on the Mob.

There were many fronts in the effort, none more dramatic than the battle to eradicate the stink in the garbage business. Mr. Morgenthau's opportunity

came when BFI, then one of the nation's largest trash haulers, tried to enter the New York market without knowing what it was getting into. The DA summoned its CEO, William Ruckelshaus of Watergate fame, and told him the only way he would succeed was by helping the prosecutors. Mr. Ruckelshaus agreed.

Mr. Morgenthau went to see Citibank boss John Reed, imploring him to help. Mr. Reed, like too many New York executives, wasn't tough enough to take on the Mob. But the Retirement Systems of Alabama pension fund, which had recently purchased 55 Water St., had more courage and allowed the DA to install his men there. Threats, confrontations and many wiretaps later, the cartel crumbled.

In addition to the Mob, the Manhattan DA has attacked money laundering in the BCCI case and corporate plundering at Tyco.

Given the city's enormous role in the national economy, the Manhattan DA and the U.S. Attorney for the Southern District may be the two most important prosecutors in the country. Much will depend on (his re-election) or who succeeds Mr. Morgenthau.... ■

Setting Foot on the Robert Trent Jones Trail

Source: *San Francisco Examiner*

"Golf is not the first thing I associate with Alabama, not by a long shot. The wrong side of the Civil War, civil rights uprisings, stifling heat, confederate flags, grits, take your pick, fair or not, these are the images of the South that prevail in my mind.

Apparently, I am not alone. So fifteen years ago, the state's head of the Retirement Systems of Alabama, Dr. David G. Bronner, set out to change all that. An avid golfer and a cunning businessman, Bronner wanted to radically overhaul Alabama's public perception, and bring in tourism and corporate leaders, thereby securing the pension fund he manages for hundreds of thousands of Alabamians. His solution was elegantly simple: he hired Robert Trent Jones, Sr. and built the Robert Trent Jones Golf Trail.

It sounds easy when put so glibly, but the enormity of what he accomplished is evident in the numbers: eleven different stops on the trail, twenty-six 18-hole championship courses, 468 golf holes, all designed by Robert Trent Jones, Sr. and all within 380 miles of each other. And all, I've been told, designed to be real, honest to goodness tests of golf. I "discovered" all of this on a recent business trip to Birmingham.

I was in town for an event at the Renaissance Ross Bridge Golf Resort and Spa, and once I'd looked up the on-resort course, I figured I had to take my clubs. I'd heard of the RTJ Trail before, but never played one of the Jones Senior's courses. I figured it would be a fun resort course. I was right about the fun. . . . The natural geography was really gorgeous, and the course winds its way through the hills surrounding a large lake. Jones took full advantage of the hills and the water, presenting his famed creativity throughout the course. Every hole presented a different golf shot. Many of the holes carry water, and the amount of carry was always well-suited to the tees we were playing. None of the par-fives were the same, and they were all memorable. All of the par-threes were memorable: two of them carried water, one shot to an uphill peninsula, and the other played to a green in a valley. The par-fours all presented strategic challenges that were attainable, if executed well. If executed poorly, as is often my case, it was still possible to save bogey.

The course was really fun. The kind of golf that makes you think, tempts you to do stupid things, rewards you if you pull it off, but doesn't slap you if you blow it. Unless you happen to blow it into the water.

The pace of play was stellar. The group ahead of us didn't show up, so we got ushered to the first tee as quickly as the marshals could find us. We started with an empty hole ahead of us, and never caught up. We never got pushed, either. The marshals swung by often, and they were friendly, jovial fellows.

The staff was all incredibly courteous, and the cart girl gets bonus points for devising a system for keeping frozen candy bars from melting once

We are Moving!

Between September 24-26, the RSA will be relocating to its new headquarters across the street. During this time, our ability to receive phone calls, emails and visitors will be limited. Please only contact us in case of emergency during these three days. We will return to full staff on Monday, September 29. Thanks in advance for your patience.

Even though we will be moving, our mailing address will remain the same:

Retirement Systems of Alabama
P.O. Box 302150
Montgomery, AL 36130-2150

What will be changing is our physical address, phone numbers, and email addresses. If you happen to use the old phone numbers or email addresses, you will be redirected to the new ones. The Web address changed in June.

Office location: **201 South Union Street**
Phone numbers: **334.517.7000 or 877.517.0020**
Fax numbers: **334.517.7001 or 877.517.0021**
Email addresses: **firstname.lastname@rsa-al.gov**
Web address: **www.rsa-al.gov**



Clip and Save



Continued on page four

ENJOY YOUR FALL
A Special Deal
FOR RSA MEMBERS

**The Battle House,
A Renaissance Hotel – Mobile – \$89**
• Sept. 1–9, 19–21 • Oct. 10–12, 26–31
• Nov. 3–8, 16–17, 26–30

**The Renaissance Riverview Plaza –
Mobile – \$79**
• Sept. 1–9, 19–21 • Oct. 13–15, 27–28
• Nov. 3–8, 16–17, 26–30

Marriott Grand – \$89 plus a 14% resort fee
• Sept. 1–4, 7–11, 14–18, 28, 30
• Oct. 4–7, 26–31 • Nov. 1–4, 8–11, 17–20

Marriott Grand – RSA Golf Package – \$169
Ask for code – LOCD
Includes: Deluxe Room, One Round of Golf for Two People.
Call for Tee Times after booking package
• Sept. 1–4, 7–11, 14–18, 28, 30
• Oct. 4–7, 27–31 • Nov. 1–2, 8, 10–11, 17–20

Marriott Shoals – Florence – \$79
• Sept. 7, 14, 21, 23 • Oct. 12, 19–20, 28
• Nov. 9–10, 16–17, 23–24, 30

Renaissance Ross Bridge – Hoover – \$89
• Sept. 1–2, 7, 14–16 • Oct. 1, 9, 12, 14
• Nov. 2, 9–10, 16–18, 23–30

Opelika Marriott – \$79
• Sept. 1–3, 14, 17, 25 • Oct. 5–7, 9, 12, 19, 27
• Nov. 2, 9, 23–30

Prattville Marriott – \$79
• Sept. 1–3, 6, 9–10
• Oct. 5–9, 12, 18–19, 21–22, 27, 31
• Nov. 2–4, 9–12, 18–20, 23–25, 27–30

Renaissance Montgomery – \$89
• Sept. 1–2, 13, 21, 30 • Oct. 8, 18, 26–27
• Nov. 1, 10–12, 22–25, 28–29

RSA Spa Package – \$159
Ask for code – LOCD Includes Deluxe Room
• Sept. 1–2, 21, 30 • Oct. 8, 26–27
• Nov. 10–12, 23–25

*Book early because the rooms are limited
at these special rates. These rates are not applicable
to groups or conventions.*

Code: RABM, 800-228-9290

Golf & Health

Looks like those Wednesday afternoon golfing doctors had it right all along. Seems golfing is not only good for your health but also has the potential to add years to your life according to a new study out by the Swedish medical university Karolinska Institutet.

The study, published recently in the *Scandinavian Journal of Medicine & Science in Sports*, analyzed data collected from 300,000 Swedish golfers and discovered that "...they were 40 percent less likely to die at any given age than those who did not play." And those with the lowest handicap had even a greater chance of longer life. Makes sense. Those with the lower handicap, after all, probably spend a lot more time on the golf course. ■

Setting Foot on the RTJ Trail

Continued from page 5

she's driven off. There is water on every third tee, but I didn't think to bring a water bottle and was disappointed to find only teeny paper cups available. . . .

Overall, I was blown away. I've never wanted to go back to Alabama so badly in my life. According to all of the rankings, this wasn't even the best course on the trail. Dr. Bronner's gambit was spot on: I'm hooked, on Alabama golf. And I'll be back to play more of Mr. Jones' brand of golf. . . ."

RSA Hotel Deals

Over Seven Months
January through July
Members Utilized **14,735 Rooms!**
"Fall Is Special In Alabama"
Take Advantage.



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TAKE KIDS OR GRANDKIDS AND HAVE SOME FUN
Get Out To See "The LPGA"
Mobile September 10-14 • Montgomery/Prattville September 24-28